



## LIBRARY OF CONGRESS

### Copyright Royalty Board

[Docket No. 23-CRB-0001-AU (Sonos Radio)]

#### Notice of Intent to Audit

**AGENCY:** Copyright Royalty Board, Library of Congress.

**ACTION:** Public notice.

**SUMMARY:** The Copyright Royalty Judges announce receipt from SoundExchange, Inc., of notice of intent to audit the 2020, 2021, and 2022 statements of account submitted by commercial webcaster licensee Sonos Radio concerning royalty payments it made pursuant to two statutory licenses.

**ADDRESSES:** *Docket:* For access to the docket to read background documents, go to eCRB at <https://app.crb.gov> and perform a case search for docket number 23-CRB-0001-AU (Sonos Radio).

**FOR FURTHER INFORMATION CONTACT:** Anita Brown, (202) 707-7658, [crb@loc.gov](mailto:crb@loc.gov).

**SUPPLEMENTARY INFORMATION:** The Copyright Act grants to sound recordings copyright owners the exclusive right to publicly perform sound recordings by means of certain digital audio transmissions, subject to limitations. Specifically, the right is limited by the statutory license in section 114 of the Copyright Act, which allows nonexempt noninteractive digital subscription services, eligible nonsubscription services, and preexisting satellite digital audio radio services to perform publicly sound recordings by means of digital audio transmissions. 17 U.S.C. 114(f). In addition, a statutory license in section 112 of the Copyright Act allows a service to make necessary ephemeral reproductions to facilitate digital transmission of the sound recordings. 17 U.S.C. 112(e).

Licensees may operate under these licenses provided they pay the royalty fees and comply with the terms set by the Copyright Royalty Judges (Judges). The rates and terms for the section 112 and 114 licenses are codified in 37 CFR parts 380 and 382-84.

As one of the terms for these licenses, the Judges designated SoundExchange, Inc., (SoundExchange) as the Collective, *i.e.*, the organization charged with collecting the royalty payments and statements of account submitted by licensees, including those that operate commercial webcaster services, preexisting satellite digital audio radio services, new subscription services, and those that make ephemeral copies for transmission to business establishments. The Collective is also charged with distributing royalties to copyright owners and performers entitled to receive them under the section 112 and 114 licenses. *See* 37 CFR 380.4(d)(1), 382.5(d)(1), 383.4(a), and 384.4(b)(1).

As the Collective, SoundExchange may, only once a year, conduct an audit of a licensee for any or all of the prior three calendar years to verify royalty payments. SoundExchange must first file with the Judges a notice of intent to audit a licensee and deliver the notice to the licensee. *See* 37 CFR 380.6(b), 382.7(b), 383.4(a), and 384.6(b).

On January 20, 2023, SoundExchange filed with the Judges a notice of intent to audit Sonos Radio for the years 2020, 2021, and 2022. The Judges must publish notice in the *Federal Register* within 30 days of receipt of a notice announcing the Collective's intent to conduct an audit. *See* 37 CFR 380.6(c), 382.7(c), 383.4(a), and 384.6(c). This notice fulfills that obligation with respect to SoundExchange's January 20, 2023 notice of intent to audit Sonos Radio for the years 2020, 2021 and 2022.

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**David P. Shaw,**

*Chief Copyright Royalty Judge.*